

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7037

BILL NUMBER: SB 539

NOTE PREPARED: Feb 20, 2013

BILL AMENDED: Feb 19, 2013

SUBJECT: Boundaries of Lake Michigan property.

FIRST AUTHOR: Sen. Tallian

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides that the Lake Michigan boundary of a parcel of real property located on the shore of Lake Michigan in the town of Long Beach is at the ordinary high water mark.

The bill provides a cause of action to a person who believes the person owns real property beyond the ordinary high water mark to establish the person's title to that property.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) The fiscal impact of the bill would depend on the actions of owners of property fronting on Lake Michigan within the town of Long Beach. The bill creates a civil right of action for owners of property fronting on Lake Michigan to establish property rights below the ordinary high water mark. The bill provides for a 2-year period expiring June 30, 2015, after which an action may not be brought under the provisions of the bill. The Attorney General would be responsible for defending the state's interest in the land under Lake Michigan.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The bill would have an indeterminate impact on property tax revenue due the local taxing units. The bill provides that a judgement in favor of a person that establishes an interest in property located below the ordinary high watermark is required to be subject to the payment of property taxes

on the additional property that otherwise would have been due, going back to January 1, 2003.

State Agencies Affected: Attorney General's Office; DNR and the Natural Resources Commission.

Local Agencies Affected: Local governmental taxing units, local courts.

Information Sources: DNR.

Fiscal Analyst: Kathy Norris, 317-234-1360.